

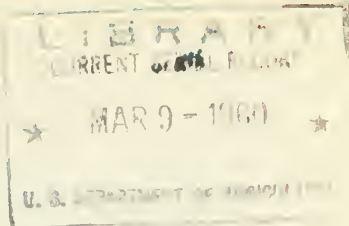
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Foreign

CROPS AND MARKETS



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UNITED STATES DEPARTMENT OF AGRICULTURE
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CANADIAN FLAXSEED GROWERS
TO GET FINANCIAL HELP

Canadian farmers will receive government payments up to Can\$3 an acre as compensation for weather losses to their flaxseed crops last fall. Payment will be limited to 200 acres per farmer on the unthreshed 1959 flaxseed. Any farmer prevented by snow from harvesting one-half or more of his crop will be eligible for assistance. The program also applies to wheat, oats, barley, and rye.

About 4 million bushels of flaxseed were still unharvested in early December (see Foreign Crops and Markets, November 2 and November 30, 1959, and February 25, 1960).

The House of Commons, under the supplementary agricultural estimates on February 9, has approved a total of \$6 million for this relief to farmers in fulfillment of the government's offer to share the compensation on a 50-50 basis with each of the 3 Prairie Provinces. Previous relief measures were merely to guarantee loans made by banks and the Wheat Board to farmers with unharvested grain.

By mid-February, the Prairie Provinces had received nearly 25,000 applications for relief. Saskatchewan already had paid out nearly \$5 million, and expects to be reimbursed for half this amount from the federal relief funds.

SWEDEN'S 1959 CIGARETTE SALES UP SLIGHTLY

Sales of cigarettes in Sweden in 1959 totaled 6,240 million pieces--up about 3 percent from the 6,066 million sold in 1958. Cigarillos also were more popular last year, with sales rising 3.7 percent above the 1958 level of 158 million. Smoking tobacco rose 2 percent, but sales of cigars dropped 4.5 percent from the previous year.

CANADIAN TOBACCO EXPORTS LARGER LAST YEAR

Canadian exports of unmanufactured tobacco during January-September 1959 totaled 36.2 million pounds--an increase of one-third from the 27.1 million shipped out in the first 9 months of 1958. The United Kingdom, as usual, was the principal outlet in 1959, taking 29.5 million pounds. The second most important foreign market was Germany, with purchases of 1.8 million pounds.

Flue-cured tobacco accounted for 94 percent of total exports during the first 9 months of 1959. Burley made up most of the remainder. The United Kingdom purchased 1.1 million pounds of Burley, and Portugal nearly one-half million pounds. The United States took .8 million pounds of flue-cured during January-September 1959.

TOBACCO, UNMANUFACTURED: Canada, exports by country of destination,
January-September 1958 and 1959

Destination	January-September					
	Flue-cured		Other 1/		Total	
	1958	1959	1958	1959	1958	1959
	:1,000	:1,000	:1,000	:1,000	:1,000	:1,000
	:pounds	:pounds	:pounds	:pounds	:pounds	:pounds
United Kingdom.....	20,761	28,170	1,118	1,287	21,879	29,457
Germany, West.....	1,258	1,755	--	2	1,258	1,757
Trinidad.....	917	1,179	--	--	917	1,179
United States.....	--	822	92	130	92	952
Jamaica.....	1,100	751	--	--	1,100	751
Portugal.....	110	111	155	473	265	584
Netherlands.....	411	249	212	132	623	381
Others.....	799	889	135	264	934	1,153
Total.....	25,356	33,926	1,712	2,288	27,068	36,214

1/ Mostly Burley.

U.S. TOBACCO IMPORTS SET RECORD IN 1959

U.S. imports of tobacco for consumption reached 151.7 million pounds in 1959. This was a record--nearly 10 percent above the 138.5 million pounds imported in 1958, and 49 percent above the 1950-54 average. Most U.S. imports of tobacco are oriental leaf for blending with domestic tobaccos in cigarette manufacture, and cigar filler and scrap.

Total cigarette leaf imports reached 111.9 million pounds in 1959, compared with 104.6 million in 1958, and an annual average of 76.4 million during 1950-54. Turkey and Greece together supplied 90 percent of the total. Other suppliers included Yugoslavia and Italy.

Cigar tobacco imports, mainly filler and scrap, totaled 38.4 million pounds in 1959, compared with 32.8 million in 1958. Most cigar tobacco imports originated in Cuba and the Philippines.

JAVA FARMERS SWITCHING FROM SUGAR TO TOBACCO

High prices paid for Indonesian cigar wrapper leaf at recent Bremen auctions has stimulated Javanese interest in tobacco growing. Planters in the Surakarta principality of Central Java are reported to be switching from sugarcane to tobacco. This has created some problems as there is already a shortage of sugar in Indonesia, and cigar wrapper leaf can be grown successfully only by experts.

CUBAN IMPORTERS PLAN MANUFACTURE OF WIDE RANGE OF FOOD ITEMS

A Cuban organization known as the National Union of Foodstuffs Importers (UNIV) has announced plans to manufacture flour, dairy products, canned foods, and soaps. The organization is composed of about 180 small importers. Four corporations are reported to be already formed and awaiting approval by the Ministry of Commerce:

- (1) A flour mill that would require an investment of between \$5 and \$6 million and be equipped to produce 40,000 to 50,000 tons of flour annually.
- (2) A \$1.5-million plant to manufacture condensed and evaporated milk, skim milk powder, butter, and cheese; The plant's capacity will be about 70,000 quarts of milk daily.
- (3) A \$1.5-million plant for producing fruit juices, canned and dehydrated soups, canned pimientos, sandwich spread, and possibly several other products.
- (4) A \$1-million soap plant with a capacity of about 30,000 bars of soap daily.

KOREA CHANGES ITS OFFICIAL EXCHANGE RATE

Effective February 22, 1960, the Government of Korea changed the official rate of exchange from 500 hwan per U. S. dollar to 650 hwan per dollar.

The official rate applies to exports, government imports, U. S. offshore procurement, and many non-merchandise transactions, including the conversion of Military Payment Certificates and other dollar instruments by U. S. personnel stationed in Korea.

Non-government imports financed by the U. S. aid program and those under Title I of Public Law 480 are paid for at varying effective exchange rates which are computed by adding certain taxes to the official rate. For wheat, cotton, and lumber, a flat tax of 150 hwan per dollar has prevailed, resulting in an effective rate of 650 hwan per dollar. For other commodities, an additional tax determined by auctioning exchange to the highest bidder has resulted in effective exchange rates at varying higher levels. These taxes are still in effect, but possible modifications are being debated in the Korean Parliament.

A "curb" rate of about 1,200 to 1,400 hwan per dollar is reported to exist but is, of course, entirely illegal.

The hwan does not have a par value; Korea's exchange system differs from that of most other countries largely because of Korea's serious balance-of-payments difficulties and the fact that the United States finances most of Korea's imports. The change in the official rate was made pursuant to the provisions of the U. S.-Korean Exchange Agreement concluded in 1955.

U. S. APPLES ON FRENCH AUCTION FOR FIRST TIME

Making their first entry into France in volume since 1953, U. S. apples sold on the LeHavre auction February 12. This sale, at which 55,000 cartons were offered, was also the first instance of American apples appearing on a French auction.

Unfortunately, most of the offerings (including Rome Beauty, Stayman, and Jonathan) were jumble-packed and were withdrawn from sale because bids were low; those that were sold ranged from \$3.26 to \$5.10 per carton. On the other hand, Golden Delicious were offered in cell-pack cartons and met an active demand at \$6.12 to \$7.15.

A series of auctions is to be held. On February 18, 45,000 cartons, mostly cell-pack were to be offered.

Washington State pears were also sold on the auction and moved readily, as they were in excellent condition despite the fact that they were imported in December.

IRELAND MAY FURTHER RELAX CORN IMPORT CONTROL

Restrictions on corn imports into Ireland, which were eased substantially in January, are likely to be further relaxed in the near future in order to improve the corn supply situation and prevent undue increases in domestic feed grain prices. Corn imports in 1958-59 totaled 45,000 long tons, virtually all from the United States.

At the beginning of the current season, the government announced that licenses for corn imports in 1959-60 would be limited to 40,000 long tons and that licenses would be issued only on a ton-for-ton basis against barley exports. This action was taken to facilitate marketing of the country's bumper barley crop and help maintain the government's support price for feed barley. In January, this year, the government eased its control over imports by permitting 2 tons of corn to be imported for 1 ton of barley exported.

WEST GERMAN TRADE QUOTAS WITH RUMANIA AND HUNGARY INCLUDE GRAINS, HOPS, SEEDS

West Germany has granted quotas on grain and other agricultural commodities to Rumania under a trade protocol signed December 23, 1959, and to Hungary under an extension of a 1948 protocol.

Under the German-Rumanian protocol each country gives the other quotas providing for the equivalent of \$47,153,000 worth of trade each way during 1960. Rumania will furnish agricultural products valued at \$14,579,000, and industrial goods and services. Included among the agricultural products are \$4,556,000 worth of breadgrains and feed grains; \$719,000 worth of lucerne, red clover, and other clover seed; \$480,000 worth of other seeds (coriander, fennel, mustard, hemp, caraway, and poppy); \$60,000 worth of horticultural seed; and \$240,000 worth of pulses (peas, beans, and lentils).

West Germany will supply Rumania \$480,000 worth of hops and \$143,900 worth of seeds.

The 1948 West German-Hungarian protocol, extended on December 7, 1959, until December 31, 1960, provides that West Germany and Hungary will give each other quotas for trade equivalent to \$44,048,000 each way.

The German quotas to Hungary include \$719,000 worth of pulses (peas, beans, and lentils); \$1,199,000 worth of field seeds; \$504,000 worth of horticultural seed; and \$480,000 worth of birdseed.

Hungarian quotas to West Germany include \$288,000 worth of hops and \$29,000 worth of field and vegetable seeds.

DOMINICAN IMPORT TARIFFS REIMPOSED ON SOME ITEMS

Effective January 13, 1960, imports of fertilizers, insecticides, herbicides, fungicides, and related items are no longer exempt from Dominican Republic import fees and other taxes. These charges will total about 33 percent of the value of the goods imported. In 1958, the Dominican Republic imported about \$1.8 million worth of fertilizers, and \$779,000 worth of insecticides, herbicides, and fungicides.

IRELAND SEEKS TO IMPROVE MALTING BARLEY PRODUCTION

An intensive program to improve malting barley seed and production, as well as disease and insect control techniques, is underway in Ireland.

Ireland produces about 130,000 metric tons of malting barley annually. Brewers buy most of the crop on a contract basis with growers. Normally, the country grows enough malting barley for its own needs and has a small surplus for export, mainly to the United Kingdom.

CANADIAN AND U. S. HOG PRICES EXPECTED TO EQUALIZE

Canadian and U. S. hog prices are expected to about equalize now that Canada is permitting the entry of U. S. pork, previously banned because of vesicular exanthema (V.E.).

Exports of pork to the United Kingdom are expected to bolster Canadian prices as will an expected 17-percent decrease in hog slaughter during the first 3 months of 1960. Marketings are expected to continue much below 1959 throughout the remainder of the year. The official forecast is for a reduction of 14 percent in April-June and a 28-percent decline in the second half of the year.

The Canadian Price Stabilization Board holds about 46 million pounds of frozen pork and 120 million pounds of canned pork, the equivalent of about 2.1 million hogs. Of greatest concern are the large stocks of bellies; these have been offered for export at 9 to 10 cents per pound f.a.s. seaboard, but buyers have showed little interest. Approximately $8\frac{1}{2}$ million pounds of bellies have been sold for rendering into lard and it is believed that much of the stocks still on hand will be disposed of in this manner. Canada has offered canned pork for donation to Canadian and International Welfare Organizations (see Foreign Crops and Markets, January 4, 1960). In late 1959, the Canadian Government sold pork to West Germany, Mexico, Japan, Czechoslovakia, and Italy.

Even though the V.E. embargo has been lifted, few U. S. slaughter hogs are expected to move into Canada. The expense of the required 30-day quarantine will largely limit Canadian imports to higher valued hogs for breeding.

SOVIET SHEEP NUMBERS AND WOOL PRODUCTION UP

Sheep numbers in the Soviet Union on January 1, 1960, were estimated at 136.1 million head, up 5 percent from a year earlier. Wool production during 1959 was approximately 765 million pounds, grease basis, compared with 700 million in 1958.

Based on the increase in sheep numbers, wool output in 1960 is estimated at 805 million pounds. The U.S.S.R. plans to continue expansion of wool production and has set a goal of 1,208 million pounds for 1965.

The sharp rise in Soviet wool production reflects both an increase in sheep numbers and average yield per sheep. The average yield in 1959 was about 5.9 pounds per sheep, compared with 4.9 pounds in 1950. A shift from native coarse-wooled sheep to merino types has been a major factor in improving the yield and also the quality of the Soviet clip. The proportion of fine wool (60's and finer) rose from 9 percent in 1950 to 27 percent in 1957. During the same period, the proportion of coarse wool (40's and coarser) fell from 56 percent to 28 percent. Wide-scale use of improved rams through artificial insemination has made this shift possible.

Despite its large production the U.S.S.R. is a substantial net importer of wool--mainly coarse wool from Communist China and Outer Mongolia.

U.S.S.R.: Sheep numbers and wool production
annual 1950-60, with percentage change

Year	Sheep numbers 1/	Percent change	Wool production 2/	Percent change
	<u>Mil. head</u>	<u>Percent</u>	<u>Mil. lbs.</u>	<u>Percent</u>
1950.....	77.6		379.0	
1951.....	82.6	6.4	406.0	7.1
1952.....	85.4	3.4	465.0	14.5
1953.....	94.3	10.4	501.1	7.8
1954.....	99.8	5.8	494.1	-1.4
1955.....	99.0	-0.8	553.6	12.0
1956.....	103.3	4.3	567.5	2.5
1957.....	108.2	4.7	629.6	10.9
1958.....	120.2	11.1	3/ 700.0	11.2
1959.....	129.9	8.1	3/ 765.0	9.3
1960.....	3/ 136.1	4.8	4/ 805.0	5.2

1/ On January 1. 2/ Grease basis. 3/ Preliminary. 4/ Estimated.

VENEZUELA STOPS BUYING PANAMANIAN CATTLE

Venezuela is no longer buying slaughter cattle in Panama. This will permit Panama to sell to other countries and perhaps resume sales of dressed beef to the United States. Panama exported 540,000 pounds of chilled beef to the United States in the first half of 1959, but none in the second half.

The Panamanian cattle industry is being encouraged by export possibilities, a growing market for dairy products, and programs to improve breeding. There were 660,800 head of cattle on farms in July 1959, 4 percent more than a year earlier and 16 percent above the 1951-55 average. Two provinces have about half of the total numbers (Chiriqui with 26 percent and Los Santos with 23 percent).

In December 1959, the Panamanian Office of Price Regulation authorized the exportation of cattle and provided for the establishment of quotas to ensure adequate supplies for domestic needs. Venezuela was importing cattle from Panama prior to this date by special permission of the Institute Ganadero. Sales to Venezuela were at a price of about 16 cents per pound liveweight, f.o.b. Panamanian ports.

Panamanian hog raisers are benefiting from high protective tariffs on lard, bacon, and hams; but hog numbers on farms have been increasing only slightly because of the conditions under which many of the hogs are raised. The official count in July 1959 was 246,000.

AUSTRALIAN BEEF SHIPMENTS TO U. S.

Three ships left Australia in February with 2,672,000 pounds of frozen beef for the United States.

Vessel	Sailing date	Destination ^{1/}	Quantity (1,000 lb.)
Iberia.....	February 6	Los Angeles	78
		San Francisco	34
Monterey.....	do. 10	Los Angeles	251
		San Francisco	249
City of Auckland	do. 10	New York	1,696
		Boston	224
		Chicago	141

^{1/} Indicates location of purchasers, and is usually also the port of arrival and general market area; in some instances the beef may be diverted to other areas for sale.

U. S. ACCOUNTS FOR 75 PERCENT OF
U. K. LARD IMPORTS IN 1959

United Kingdom lard imports in 1959 were at a postwar high of 377 million pounds, up 48 percent from 1958. Imports from the United States accounted for 75 percent of the total, compared with 56 percent in 1958.

Demand for lard in the United Kingdom has been stimulated by lower prices and increased use in margarine. Lower U. S. prices and the development of bulk handling has made U. S. lard more competitive with that from the Continent. U.K. imports in December were up 63 percent, and the United States accounted for 90 percent of the total.

LARD: United Kingdom imports by country of origin
and percent of total, annual 1958-59

Origin	1958		1959	
	Quantity	Percent of total	Quantity	Percent of total
United States.....	143,915	56.2	281,165	74.6
France.....	35,075	13.7	40,984	10.9
Netherlands.....	25,436	9.9	12,595	3.3
Belgium.....	24,054	9.4	11,228	3.0
Denmark.....	22,460	8.8	17,959	4.8
Sweden.....	2,690	1.0	3,274	0.9
Canada.....	567	0.2	9,643	2.5
Others.....	1,734	0.8	136	--
Total.....	255,931	100.0	376,984	100.0

U.S. Packers Provision Agents' Committee.

SOUTH AFRICAN DROUGHT REDUCES
1959-60 WOOL CLIP

The South African Wool Board has reduced its estimate of 1959-60 wool production in the Union from 320 million pounds to 305 million pounds, grease basis. The 1958-59 output was 313.6 million pounds.

The main reason for the drop is the serious drought in the northwestern Cape Province--a major wool-producing area. Some of this area has not had a good rain for 3 years, and heavy sheep and cattle losses have been reported.

South African wool sales in the first half of this season (July-December) totaled 160 million pounds, compared with 149 million a year earlier. With the smaller clip now expected, wool sales in the second half will probably be down considerably from a year ago.

Wool output in 1960-61 will very likely be reduced further, as sheep losses from the drought have been sizable and the new lamb crop is expected to be smaller.

MEXICAN WINTER VEGETABLE SHIPMENTS

The following winter vegetables from the West Coast of Mexico crossed the border at Nogales, Arizona, during the period February 1-15 (in thousands of pounds): green corn 154; cucumbers 349; eggplant 373; peas 1,563; peppers 2,869; squash 108; string beans 318; and tomatoes 25,005.

CUBA AND U.S.S.R. SIGN TRADE AGREEMENT

Under a 5-year commercial agreement recently signed by Cuba and the Soviet Union, the latter will buy about 483,000 short tons of Cuban sugar in 1960 for shipment this year and will take 1,136,000 short tons of sugar annually during the next 4 years. The sugar is to be used only in the Soviet Union. (Prior to the agreement, the U.S.S.R. had already contracted for 653,000 tons of Cuban sugar, also to be delivered in 1960.)

The 1960 purchases under the agreement are to be paid for entirely in Russian merchandise. However, up to 20 percent of the sugar to be purchased during 1961-64 will be paid for in exchange freely convertible into U. S. dollars, and the balance in merchandise. The Cubans also agree to deliver to the U.S.S.R. fresh and canned fruits, fruit juices, rope fiber, henequen, peppers, and hides in 1960. Russian products to be delivered to Cuba this year will consist of wheat and numerous industrial products.

The merchandise to be exchanged in the 4 following years will be selected annually; prices will be based on world market levels.

The two governments have agreed to grant each other reciprocal, unconditional, most-favored-nation treatment except for the special advantages that the Soviet Union has granted or may grant to neighboring countries, or the special advantages that Cuba has granted or may grant to the United States.

The U.S.S.R. also has agreed to grant Cuba credit up to \$100 million at $2\frac{1}{2}$ percent interest annually for the purchase of Russian agricultural and industrial machinery and equipment for new plants and factories to be set up in 1961-65, and to pay for Russian technical aid in their construction, if the Cuban Government requests it. Cuba will amortize the credit granted within a period of 12 years in equal annual installments, beginning one year after the termination of the deliveries by the U.S.S.R. of the equipment and other products.

PHILIPPINE COPRA AND COCONUT OIL EXPORTS TO REMAIN LOW THIS YEAR

Philippine copra and coconut oil registered exports in 1960 are forecast at about 510,000 long tons, oil or oil equivalent. This preliminary estimate is 9 percent higher than the 475,300 tons of 1959, but almost 6 percent under 1958 and 28 percent under 1957.

Based on monthly rainfall data for the major producing areas through September 1959, exports during February-April 1960 should decline seasonally to the lowest levels for the year. Then exports should rise through August to levels well above the corresponding months of 1959 but still below 1958.

Registered exports for the first 6 months of 1960 should exceed those of 1959 by roughly 30 percent. A more rigid control of unregistered shipments to North Borneo and other destinations may raise the estimate somewhat.

After August, monthly exports will probably lag behind those a year earlier as a result of typhoon damage sustained primarily in December 1959. The typhoons, Harriet and Gilda, in addition to destroying the flowers which would have developed into mature coconuts by December 1960, also destroyed many of the small nuts that were due to mature in September-November 1960.

No substantial recovery from drought conditions of 1957-58 and from the recent typhoons is expected prior to February 1961.

ICELAND ADOPTS SINGLE EXCHANGE RATE

Effective February 29, 1960, Iceland abolished its multiple exchange rate system and introduced a single rate with a new par value of 38 Icelandic kronur per U. S. dollar.

Formerly, the par value was 16.3 kronur per U. S. dollar, and five buying and four selling rates applied to payments and receipts. These rates ranged from 16.3 to 32.6 kronur per U. S. dollar, the actual rate depending on the commodity or type of transaction; the principal rate for imports was 25.3 kronur per dollar.

Imports will be liberalized insofar as the structure of Icelandic export trade makes it possible. Two lists of goods will be established: List A (comprising about 60 percent of imports) for liberalized goods, and List B for nonliberalized goods. A large part of U. S. agricultural exports to Iceland move under Title I of Public Law 480, with payment in local currency.

Iceland is also taking steps to balance its budget and is instituting a broad program of credit controls.

These moves are in connection with a comprehensive stabilization program designed to contain inflationary pressures and to bring the payments position into balance. To ease the transition, Iceland has obtained a credit of \$12 million from the Organization for European Economic Cooperation (OEEC) and a loan of \$3 million from the United States.

Iceland has also entered into a "standby" loan arrangement from the International Monetary Fund for \$8.5 million.

NETHERLANDS REMOVES FLAX SUBSIDY TO PROCESSORS

The subsidy of about \$17 per acre that the Netherlands Government paid flax processors in 1958 and 1959 has been removed for the 1960 crop. The subsidy was granted to protect domestic production against lower-priced flax imports. Now that these imports have decreased and the price has risen as much as 50 percent in some cases, the subsidy is no longer considered necessary.

CUBAN MOLASSES: PRODUCTION AND EXPORTS DURING 1959

Cuba produced 314.3 million gallons of industrial molasses in 1959, compared with 310.6 million gallons in 1958. These totals include in 1959, 309.5 million gallons of blackstrap and 4.8 million of high test, and in 1958, 230.7 million gallons of blackstrap and 79.9 million gallons of high test.

During calendar 1959, Cuba exported 101.8 million gallons, of which 87.0 million were blackstrap and 14.8 million gallons were high test. These exports included 2.1 million gallons of blackstrap and 10.6 million of high test remaining from the 1958 season. In addition to molasses exported in 1959, reports indicate that 81.9 million gallons of 1959 molasses have been sold for export in 1960.

The foregoing exports and sales for export, when added to the quantities retained and allocated for local use, probably complete the disposition of Cuba's 1959 molasses production.

BELGIAN CONGO EXPANDING COCOA PRODUCTION

Under a 10-year agricultural program launched this year, the Belgian Congo expects to expand its cultivated cocoa plantings from the present 74,000 acres to 95,000 acres by 1969.

Natives are successfully learning cultivation and management techniques of growing cocoa in the Equatorial Province, and it is hoped that native plantations will increase from 2,000 to 40,000 acres. The plan is to double native production by 1964 and triple it by 1969.

PHILIPPINES PUSHING COCOA PRODUCTION

Cocoa production is increasing in the Philippines but the country is still a net importer of cocoa. Production will probably continue to increase, at least over the next several years, with new plantings being concentrated in the Visaya and Mindanao where 60 percent of the acreage was located in 1959.

It appears that the Philippines can eventually increase production enough to take care of increasing domestic consumption and even become a net exporter of cocoa and cocoa products over the years. Actually, the country already exports some products, and several chocolate factories have been installed in Manila and the provinces. In the first 3 quarters of 1959, the Philippines exported a half million pounds of cocoa butter to the United States.

AUSTRALIA TO HARVEST NEAR-RECORD RICE CROP; EXPORTS RISE

Australia's rough rice harvest beginning next April is tentatively forecast at 2.6 million cwt. (100 pounds), second only to the record 2.82 million cwt. last year. Acreage in the main rice area was reduced because of relatively low prices on the export market, but this reduction was offset by increases elsewhere. So acreage again approximates the 51,000 acres (revised estimate) of 1958-59.

Preliminary forecasts of the 1959-60 acreage planted, by area, are as follows (in acres): New South Wales, 44,500; Northern Territory, 5,500; and Liveringa (Western Australia), 2,000. There were small plantings in a new Coleambally Irrigation area south of the main rice fields. This year's outturn in the new area will not affect total production. However, beginning 1960-61, acreage is expected to increase rapidly, inasmuch as settlers will probably get the needed water allocation for rice growing. Yields are expected to be high.

The rough rice crop of New South Wales is forecast at 2,450,000 cwt. If conditions continue favorable, production at the Northern Territory Ltd. may reach 90,000 cwt. compared with 30,000 last year; and the Liveringa acreage may produce 28,000 cwt., against 12,000 in 1958-59.

Having had two record rice crops in a row, Australia in 1959 exported a record 1,145,000 cwt., as follows (in 1,000 cwt.): milled rice, 688, principally to South Pacific Islands, Lebanon, Jordan, Canada (16), and the Arabian States; brown rice, 266, mainly to South Pacific Islands, and Canada (34); and broken rice, 191, to Canada (72), United Kingdom (50), Japan (24), the Netherlands (11), and others.

COMMUNIST CHINA OFFERS RICE AT ATTRACTIVE PRICES

To step up rice exports to Malaya, Communist China in mid-January reportedly made an attractive offer to the Malayan rice trade. Grades and prices of the rice available are given in the following table, with comparisons:

RICE: export prices of milled rice available in exporting countries
for import into Malaya, January 18, 1960

Country and grade	Terms	Price
		<u>Dollars per cwt.</u>
Burma:		
Ngasein Super, 5% broken.....	f.o.b.	5.56
Ngasein Japan, 15% broken.....	"	5.00
Ngasein Japan, 25% broken.....	"	4.81
Cambodia/Vietnam:		
5% broken.....	c.i.f.	5.01
10% broken.....	"	4.85
Communist China:		
Long grain, 10% broken.....	c.i.f.	5.33
Medium 15% broken.....	"	4.44
Broken.....	"	2.92
Thailand:		
100% whole grain, old crop.....	f.o.b.	6.60
100% whole grain, new crop.....	"	5.97
5% broken grain, old crop.....	"	6.09
5% broken grain, new crop.....	"	5.46
10% broken grain, old crop.....	"	5.84
10% broken grain, new crop.....	"	5.33
15% broken grain, old crop.....	"	5.46
15% broken, grain, new crop.....	"	5.08
Al Super broken grain, old crop.....	"	3.43
Al Super broken grain, new crop.....	"	3.05
Al Special broken grain, old crop.....	"	3.17
Al Special broken grain, new crop.....	"	2.92

Compiled from Malayan trade sources.

China's offer included a requirement that the Malayan trade guarantee to import 15,000 metric tons (330,000 cwt.) of the Chinese quoted grades each month in 1960. The trade counter-offered to buy 6,000 tons (132,000 cwt.) a month, and the deal was still being negotiated in the first week of February. At this rate, Malaya's rice imports from Communist China in 1960 would be 1,587,000 cwt., or nearly 3 times the record imports of 570,000 cwt. from that country in 1957.

ESTIMATE OF 1959 FRENCH
DRIED PRUNE PACK LOWERED

Production of dried prunes in France for 1959 is now estimated at 10,000 short tons, a 5,000-ton reduction from an earlier forecast. This reduction was reportedly due to fresh fruit losses from early fall winds and heavy rains. Nevertheless, the French trade reports the pack is generally of good quality, although sizes are mostly 60-70's and 70-80's and there is only a small percentage of 30-40's and 40-50's.

Even the reduced estimate of the 1959 pack is much larger than the exceptionally small 1958 pack of only 2,500 tons. Average production (1952-56) is 7,100 tons.

PRUNES, DRIED: France, supply and distribution,
annual 1957, 1958, and forecast 1959

Item	1957	1958	Forecast 1959
	Short tons	Short tons	Short tons
Supply			
Opening stocks, August 1.....	1,100	100	--
Production.....	7,600	2,500	10,000
Imports.....	2,740	4,640	2,800
Total.....	11,440	7,240	12,800
Distribution			
Exports.....	1,100	325	1,900
Domestic consumption ^{1/}	10,240	6,915	10,500
Ending stocks, July 31.....	100	--	400
Total.....	11,440	7,240	12,800

^{1/} Residual.

The French trade is estimating that dried prune imports will total about 2,800 tons during 1959-60, major suppliers being the United States and Yugoslavia. Imports in the first 5 months (Aug. 1-Dec. 31) of the 1959-60 marketing season amounted to 815 tons, 783 tons from the United States and 32 tons from Yugoslavia.

French exports during the 1959-60 season are expected by the trade to be about 1,900 tons. In the 5-month period August 1 through December 31, 1959, shipments had reached 951 tons. Dried prune stocks remaining in early February were said to be about 2,200 tons.

Total imports of dried prunes during the 1958-59 season amounted to 4,636 tons, of which 2,955 tons were from the United States; exports were 326 tons.

There is some opinion in the French trade that 4,000 to 5,000 tons of packaged large-size U. S. dried prunes could be sold in France in 1960-61 if import restrictions were removed.

PRUNES, DRIED: France, foreign trade, 1958-59 and first 5 months 1958-59 and 1959-60 seasons beginning August 1

Country	Aug.-Sept.	Aug.-Dec.	
	1958-59	1958	1959
	Short tons	Short tons	Short tons
Imports:			
United States.....	2,955	8	783
Italy.....	62	0	0
Portugal.....	115	68	0
Yugoslavia.....	1,501	109	32
Others.....	3	2	0
Total.....	4,636	187	815
Exports:			
Algeria.....	304	68	186
Belgium-Luxembourg.....	0	0	85
French West Africa.....	2	2	36
Germany, West.....	0	0	215
Netherlands.....	0	0	331
United Kingdom.....	0	0	61
Others.....	20	6	37
Total.....	326	76	951

TURKEY HAS LARGE PISTACHIO CROP

Turkey's 1959 pistachio harvest is estimated at 10,000 short tons, a 5,600-ton increase over 1958. In past years, the harvest of pistachios in Turkey has ranged from 1,000 to 15,000 tons. Average production (1953-56) is 4,000 tons.

PISTACHIO: Turkey, supply and distribution,
annual 1958 and forecast 1959

Item	Year beginning September 1	
	1958	1959
	Short tons	Short tons
Beginning stocks, September 1.....	1,400	300
Production.....	4,400	10,000
Total supply.....	5,800	10,300
Exports 1/.....	2,900	6,000
Domestic consumption.....	2,600	3,300
Ending stocks, August 31.....	300	1,000
Total distribution.....	5,800	10,300

1/ Legal and illegal.

(Continued on following page)

The Turkish trade expects 1959-60 exports to be about 5,500 to 6,500 tons. Pistachio exports in the first 3 months of this season were reported as 928 tons unshelled (all to the United States) and 56 tons shelled. According to the Ministry of Commerce, stocks were estimated at about 6,600 tons the first part of February.

In-shell export prices have thus far this season ranged between \$768 and \$795 per short ton. In January, the domestic wholesale price on the Izmir market was around 45 cents per pound for pistachios in the shell and 91 cents for the shelled.

CUBA BUYS ONIONS FROM U.A.R.

Under a recent Cuban-United Arab Republic trade agreement, the Instituto Nacional de Reforma Agraria (INRA) has made arrangements to buy 900,000 50-lb. bags of yellow onions from the U.A.R. The first shipments are expected to arrive in Cuba during May and June this year. During calendar 1959, the United States exported 1.2 million 50-lb. bags of onions to Cuba.

FRENCH PRUNE PRICES LOWER

French dried prunes are selling at prices considerably below last year's prices. The following quotations give the average prices of the 1959 French dried prune pack by sizes, f.o.b. railway station at the producing center.

Size	U. S. cents per pound	Size	U. S. cents per pound
30-40	50.9	80-90	23.1
40-50	42.6	90-100	19.4
50-60	36.1	100-110	17.6
60-70	33.3	110-120	16.2
70-80	27.8		

Prices for the dried prunes that France has imported this season are reported as follows:

United States (Santa Clara) c.i.f. Bordeaux		Yugoslavia f.o.b. Yugoslav Border	
Size	U. S. cents per pound	Size	U. S. cents per pound
22-33	30.4	70-75	17.7
33-44	27.4	80-85	15.6
44-55	25.5		
55-66	23.9		

FRENCH WHEAT ACREAGE
SLIGHTLY LARGER

France's winter wheat acreage on February 1 was larger than at the beginning of February 1959. Official estimates place the current acreage at 10,525,000 acres, compared with 10,368,000 acres a year earlier. Winter wheat normally accounts for more than 95 percent of the total.

The condition of winter acreage was good at latest report. However, sharp frosts while snowcover was lacking were causing some concern in late February.

AUSTRALIAN WHEAT
CROP ABOVE AVERAGE

Latest reports indicate that Australia's recently completed wheat harvest totaled 190 million bushels. This is 12 percent below the large 1958 crop of 215 million bushels but is larger than expected and is reported to be of excellent quality.

Acreage of 11.5 million acres was well above average but yields were below average. An increase of 1.1 million acres over the 1958 wheat area was shared in by all major producing states but was largest in New South Wales and Western Australia.

Yields were smaller than in 1958 in all states, but the most marked reduction was in South Australia. Yields there are estimated to be only a third of the good 1958 yields, as a result of drought.

Carryover from the near-record 1958 crop was large, bringing supplies for 1959-60 to a higher level than for the past 3 seasons. Estimated supplies of 258 million bushels this season provide about 185 million bushels over domestic requirements for the season ending November 30, 1960. That amount is available for export or carryover.

URUGUAY MAY HARVEST
MORE PEANUTS IN 1960

The 1959-60 peanut crop in Uruguay is unofficially estimated at around 5,000 short tons, unshelled basis. However, little rain has fallen in the peanut-producing areas during the last 2 months, and the dry weather could substantially reduce the final outturn. Production in 1958-59 was 3,285 tons.

The area planted to peanuts in 1959-60 was about 22,500 acres, up almost 15 percent from the 19,750 acres planted in 1958-59.

Yields in 1958-59 were only 330 pounds per acre, the lowest in 13 years, because of excessive rains just prior to harvest in April and May 1959.

MALAYA-SINGAPORE NET EXPORTS OF COPRA AND COCONUT OIL DOWN SHARPLY

Net exports of copra and coconut oil from the Federation of Malaya and Singapore during January-October 1959 totaled 12,265 long tons, oil and oil equivalent. Shipments were only two-fifths as large as the 31,708-ton net exports in the comparable period of 1958.

While this sharp decline in domestic supplies reflects the serious copra shortage of the past 2 years, it is significant that the country became a net exporter for the 10-month 1959 period cited, whereas it was a net importer during the first 6 months of 1959.

Gross trade for the January-October 1959 period includes copra imports, which totaled 80,129 long tons (124,725 tons in 1958), copra exports of 52,129 tons (76,946 tons in 1958), and exports of refined and crude coconut oil totaling 31,004 tons (62,450 tons in 1958).

Malayan copra production for the first 10 months of 1959 is now estimated at 106,826 long tons, 10 percent higher than the 96,401 tons produced during January-October 1958.

JAPAN'S OILSEED CRUSHINGS AND OUTPUT OF VEGETABLE OILS UP IN 1959

Crushings of oilseeds in Japan, at 1,669,000 metric tons in 1959, increased 15 percent from 1958. Production of vegetable oils, at 444,000 tons, rose 21 percent, according to preliminary data of the Japanese Ministry of Agriculture and Forestry. Over two-thirds of the increase in vegetable oil production was in industrial oils, although the increase in volume of oilseeds crushed for both edible and industrial oils was about the same.

Flaxseed, safflower seed, and castor beans (all high oil-content seeds), and rice bran were the major sources of increased industrial oils, while soybeans and cottonseed (both low oil-content seeds) were the main sources of increased edible oils. A larger volume of both copra and palm kernels also was crushed.

Imported soybeans in 1959, mainly from the United States, yielded 2.7 percent more oil than domestic soybeans. Crushings of imported soybeans for oil increased over 14 percent from 1958; these crushings accounted for about half of the increase in available supplies of oilcake and meal and most of the increase in edible vegetable oils. A 13-percent decrease in crushings of domestic rapeseed was only partially offset by larger crushings of imported rapeseed.

Demand for vegetable oils in Japan for all uses has been strengthening each year, and oilseed crushing and oil production are expected to continue upward this year.

OILSEEDS, VEGETABLE OIL, AND CAKE AND MEAL: Japan, crushings and production, annual 1958 and 1959 1/

Oilseed (by source)	Volume Crushed			Oil Extracted			Cake and Meal Produced		
	1958	1959	Metric tons	1958	1959	Percent	1958	1959	Percent
Edible:									
Soybeans, domestic.....	5,393	2,687	850	399	15.8	14.8	4,302	2,190	80.0
Soybeans, imported.....	736,239	840,433	129,089	147,173	17.5	17.5	561,558	644,068	76.3
Rapeseed, domestic.....	250,698	219,003	98,198	86,297	39.2	39.4	141,456	129,287	56.4
Rapeseed, imported.....	12,806	21,942	5,331	8,589	41.6	39.1	7,057	12,292	55.1
Cottonseed, imported.....	79,218	100,755	15,193	19,170	19.2	19.0	39,889	50,640	50.3
Kapok seed, imported.....	27,917	30,665	5,944	6,876	21.3	22.4	20,954	23,063	75.1
Sesame, imported.....	6,087	9,838	2,627	4,305	43.2	43.8	2,776	4,792	45.6
Peanuts, imported.....	253	172	82	58	32.4	33.7	151	112	60.0
Sunflower seed, imported.....	---	1,757	---	506	---	28.8	---	837	---
Mustard, imported.....	---	492	---	181	---	36.8	---	296	---
Other, domestic.....	4,713	2,612	870	301	18.5	11.5	2,891	1,866	61.3
Other, imported.....	2,587	2,532	714	970	27.6	38.3	1,744	1,420	67.4
Total.....	1,125,911	1,232,888	258,893	274,825	---	---	782,778	870,863	---
Palm:									
Copra, imported.....	44,083	48,125	26,782	34,219	60.8	71.1	15,299	2/ 17,842	34.7
Palm kernels, imported.....	30,803	31,535	16,198	17,797	52.6	56.4	2/ 15,226	2/ 15,727	49.4
Total.....	74,886	79,660	42,980	52,016	---	---	30,525	33,569	---
Industrial:									
Flaxseed, domestic.....	---	2,214	---	592	---	26.7	---	1,434	---
Flaxseed, imported.....	54,086	82,162	20,182	51,235	37.3	62.4	33,030	2/ 50,527	61.1
Rice bran, domestic 3/.....	144,718	185,148	26,655	32,384	18.4	17.5	106,269	139,296	73.4
Rice bran, imported.....	---	1,239	---	182	---	14.7	---	976	---
Castor beans, imported.....	22,280	26,339	9,307	11,081	41.8	42.1	11,627	14,091	52.2
Safflower seed, imported 3/.....	28,633	59,831	9,863	21,955	34.4	36.7	18,264	37,228	63.8
Total.....	249,717	356,933	66,007	117,429	---	---	169,190	243,552	---
Total, domestic.....	405,522	411,664	126,573	119,973	---	---	254,918	274,073	---
Total, imported.....	1,044,992	1,257,817	241,312	324,297	---	---	727,575	873,911	---
Total.....	1,450,514	1,669,481	367,885	444,270	---	---	982,493	1,147,984	---

1/ Preliminary. 2/ Added moisture in cake and meal often accounts for total product above tonnage crushed. 3/ Also used as an edible oil.

Source: Japanese Ministry of Agriculture and Forestry.

U. S. COTTON EXPORTS UP SHARPLY IN JANUARY

United States cotton exports were 1,109,000 running bales in January 1960, the largest in any month since November 1935 when 1,135,000 bales were exported. Exports in January were 52 percent larger than the 728,000 bales for December 1959.

Exports during the first 6 months (August-January) of the current season totaled 3,209,000 bales, more than double the 1,436,000 bales exported in the corresponding months a year earlier.

Comparable figures in 500-pound gross weight bales, and destinations of the August-January 1959-60 exports will be published in Foreign Crops and Markets as soon as they are available.

FREE WORLD COTTON PRODUCTION AND EXPORTS INCREASE

Cotton production in the 1959-60 season in principal Free World exporting countries is currently estimated at 29.7 million bales (500 pounds gross). This is 2.5 million bales, or 9 percent, above the 27.2 million bales produced in 1958-59. However, total production outside the United States declined this season for the first time since World War II.

The main production increases over last season are in the United States, Brazil, Pakistan, Egypt, and Sudan. They are attributed to larger acreage and favorable weather. Production declined in 7 of the countries listed in the accompanying table. Principal declines are in Mexico, India, Uganda, and Central America, mainly because acreage was smaller as a result of adverse weather, or lower prices to growers last year.

Cotton exports from principal Free World exporting countries in the early months of this season increased by 1.1 million bales, or 30 percent, over the same months of 1958-59. Larger exports this season reflect increasing cotton consumption abroad, restoration of stocks of cotton and textiles to more normal levels in many importing countries, and the fact that prices of cotton in world import markets have been generally stable and competitive at levels below a year earlier.

The sharpest increase over 1958-59 has been in exports from the United States, which are running 71 percent above the corresponding months a year earlier. Exports from Sudan, Brazil, Egypt, and Syria, have also increased substantially. Shipments from some countries declined from a year earlier, but this is due mainly to the fact that they had less cotton available for export this season. Foreign Free World countries as a group will export practically all of their available supplies this season. In fact, exportable supplies in most foreign countries are already depleted, and forward sales of new-crop cotton are under way.

COTTON: Production and exports, principal Free World exporting countries,
seasons 1958-59 and 1959-60

(Bales of 500 pounds gross)

Country	Production				No. of Months	Exports			
	1958-59		1959-60			1958-59		1959-60	
	1,000 bales	1/ bales	Change + -	1,000 bales		1,000 bales	1/ bales	Change + -	
Belgian Congo.....	230	1,000	1,000	1,000	:	1,000	1,000	1,000	1,000
Brazil.....	1,440	1,650	210	20	:	38	72	34	:
British East Africa.....	491	458	33	210	:	47	139	92	:
Burma.....	65	85	20	33	:	65	45	:	20
Egypt.....	2,048	2,089	41	20	:	0	:	:	:
El Salvador.....	177	150	27	41	:	5	585	665	80
Fr. Equatorial Africa....	185	188	3	27	:	2	15	3	:
Greece.....	286	266	20	3	:	1	15	19	4
India.....	4,100	3,800	300	20	:	5	76	84	8
Iran.....	320	330	10	300	:	2/ 4	100	59	41
Mexico.....	2,345	1,650	695	10	:	0	:	:	:
Nicaragua.....	218	160	58	695	:	4	818	839	21
Nigeria.....	155	165	10	58	:	3	32	1	31
Pakistan.....	1,260	1,350	90	10	:	2	35	25	10
Peru.....	521	513	8	90	:	4	145	49	96
Sudan.....	573	615	42	8	:	4	194	177	17
Syria.....	443	455	12	42	:	4	92	234	142
Turkey.....	825	825	:	12	:	5	111	168	57
United States.....	11,512	14,701	3,189	825	:	2	29	32	3
Total above countries..	27,194	29,700	+2,506	Net change	:	5	1,260	2,156	896
					:	:	:	:	Net change

1/ Preliminary.

2/ August through November 14.

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(PMGC)

Official Business

MEXICAN PEANUT EXPORTS DOWN

Mexican peanut exports in 1959, generally for the edible market, were down sharply from 1958, mainly because of reduced takings by Canada. The reduced shipments depressed the market during the major harvesting season and larger-than-usual quantities went to the local edible market and domestic crushers. Thus when export demand picked up in December and January, Mexican exporters had difficulty finding commercial quantities of good-quality peanuts. Total 1959 exports (preliminary official estimate) and 1958 exports were as follows:

Country	Shelled		Unshelled	
	1958	1959 <u>1</u> /	1958	1959 <u>1</u> /
	Short tons	Short tons	Short tons	Short tons
Canada.....	4,949	2,783	3,811	3,007
United States.....	424	52	226	174
Venezuela.....	97	95	---	---
Switzerland.....	---	---	599	592
United Kingdom.....	---	---	16	207
Other.....	26	78	54	5
Total.....	5,496	3,008	4,706	3,985

The 1959 peanut crop was 82,675 short tons; an increase of possibly 15 percent is expected in 1960. Under a government program to expand production, small farmers are being given credit and technical aid.